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*cutting through complexity*

**For Immediate Release:**

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**NASHVILLE EXECs LOWER SIGHTS ON PROFITS,  
GUARDED ON HIRING IN 2012: KPMG SURVEY**

***Risks, opportunities related to social media key topics of discussion at KPMG conference***

**NASHVILLE, Dec. 15** – Although the majority of Nashville board members and business leaders remain optimistic on profitability over the next year, a lower percentage of those polled recently were positive about profits compared to a similar survey last year, according to the Audit Committee Institute (ACI) of KPMG LLP, the audit, tax and advisory firm.

During a meeting hosted by the ACI and attended by about 30 board directors and business leaders from Nashville-area companies, 70 percent of those surveyed expect profits to increase in 2012, with 12 percent expecting a significant increase, and 58 percent expecting a moderate increase. This is lower than the findings from a poll taken by KPMG a year ago, when 91 percent expected improved profits in the next year, with 23 percent expecting a significant increase, and 58 percent expecting a moderate increase.

“Business leaders generally remain cautiously optimistic but are intent on moving their growth agendas along,” said KPMG Nashville Managing Partner Randy Laszewski. “Yet, it is not surprising to find that their views are tempered by the economic uncertainty that still exists, especially as it relates to hiring.”

Regarding hiring plans, 41 percent of respondents plan to increase headcount over the next six months, while 48 percent said they plan to maintain current headcount. Additionally, 4 percent said they plan headcount reductions and 7 percent said their plans were unclear.

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## **Nashville Execs Lower Sights on Profits: KPMG Survey- 2**

Additionally, when asked to select the biggest concern with regard to the economy right now, 48 percent cited economic uncertainty, followed by continued joblessness at 41 percent; dealing with regulatory changes at 7 percent, and inflation at 4 percent.

At the KPMG conference, the power of social media also was an important topic.

“Our discussion at the Audit Committee Institute meeting highlighted the growing impact that social media is having on every business – both as a risk to be addressed and an opportunity to be pursued,” said Laszewski.

The business leaders at the ACI session also recognized a greater need for social media governance, said Laszewski. Asked about whether their company had policies and guidelines in place to govern the use of social media by their employees, 23 percent said they had a comprehensive policy that has been communicated robustly. Another 47 percent said they had basic policies in place, 17 percent said they had no such policies, and 13 percent weren’t sure.

Asked whether their company has an external social media monitoring program, 35 percent said yes, as a stand-alone activity, with another 7 percent saying yes, but one that is integrated into their company’s risk management process. Another 39 percent said they don’t monitor while 18 percent didn’t know.

“Area business leaders have a growing awareness of the impact that social media can and will have on their businesses and employees but they are still wrestling with governance and monitoring issues,” said Appel. “How they address the array of challenges and opportunities that social media raises could largely determine their company’s success or failure in the coming years.”

In other ACI survey findings:

- When respondents were asked how concerned they are that their company views IT risk and cyber security too narrowly as a ‘technology issue’ rather than an enterprise-wide risk, 26 percent said they were concerned, 48 percent said somewhat concerned, and 26 percent are not concerned.

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- Asked how they would characterize the status of Cloud computing adoption in their companies, 42 percent said they were considering it but had no definite adoption plans, 22 percent said they currently had no plans, 13 percent were unsure, while 13 percent said they had an active or strategic plan. Another 10 percent said they were piloting the use of cloud at the business unit level.

### **About KPMG's Audit Committee Institute**

Established in 1999, **KPMG's Audit Committee Institute** (ACI) provides information, resources, and knowledge sharing opportunities – both online and through a variety of forums – to help audit committee members, directors, and senior management enhance the effectiveness, integrity, and oversight of the financial reporting process. ACI forums include the Audit Committee Roundtable Series, the Annual Issues Conference, and Quarterly Audit Committee Webcast. Learn more about ACI at [www.auditcommitteeinstitute.com](http://www.auditcommitteeinstitute.com), 1-877-KPMG-ACI, or [auditcommittee@kpmg.com](mailto:auditcommittee@kpmg.com).

### **About KPMG LLP**

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